1	MARY ANN SMITH Deputy Commissioner				
2 3	SEAN M. ROONEY Assistant Chief Counsel SOPHIA C. KIM (State Bar No. 265649)				
4	Senior Counsel Department of Business Oversight 320 West 4 th Street, Suite 750 Los Angeles, California 90013				
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6	Telephone: (213) 576-7594 Facsimile: (213) 576-7181				
7	Attorneys for Complainant				
8	BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT				
9	OF THE STATE OF CALIFORNIA				
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11	In the Matter of:) NMLS ID: 1179069			
12	THE COMMISSIONER OF BUSINESS)) ACCUSATION			
13	OVERSIGHT,				
14	Complainant,)			
15	V.)			
16))			
17	OSCAR A. BLANCO,)			
18	Respondent.)			
19	respondent.				
20					
21	The Complainant, the Commissioner of Business Oversight (Commissioner), of the				
22	Department of Business Oversight (Department), is informed and believes, and based upon such				
23	information and belief, alleges and charges Respondent as follows:				
24	I.				
25	<u>Introduction</u>				
26	1. Respondent Oscar A. Blanco (E	Blanco) received a mortgage loan originator (MLO)			
27	license on or around March 13, 2015, pursuant to the California Residential Mortgage Lending Act				
28	(Fin. Code § 50000 et seq.) (CRMLA).				
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- 2. On or around November 1, 2019, Blanco requested renewal of his MLO license through the Nationwide Mortgage Licensing System (NMLS).
- 3. The Commissioner declines to renew Blanco's MLO license pursuant to Financial Code section 50513, subdivision (a), in that Blanco no longer meets the minimum requirements in Financial Code sections 50144 and 50141 for continued licensure.
- 4. Pursuant to Financial Code section 50327, subdivision (a)(2), a condition now exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the Commissioner in refusing to issue the license. Pursuant to Financial Code section 50327, subdivision (a)(1) Blanco's failure to file changed information contained in his Form MU4, and any exhibits thereto, through NMLS within 20 days of the changes to the information, in violation of California Code of Regulations, title 10, section 1950.122.9, constitutes additional grounds for declining to renew Blanco's MLO license.

II. September 4, 2018 Felony Conviction

- 5. On or around January 2, 2015, Blanco filed an application for an MLO license with the Commissioner by submitting a Form MU4 through NMLS (hereinafter, Application) pursuant to Financial Code section 50140.
 - 6. Blanco's Application was approved on or around March 13, 2015.
- 7. On or around November 22, 2017, in *People of the State of California v. Oscar Blanco*, Case No. BA 463061, the Los Angeles County District Attorney filed a Felony Complaint against Blanco alleging in Count 1 that on or around August 17, 2017, Blanco violated Vehicle Code sections 23153(a) and 23560, a felony, by driving under the influence of alcohol causing injury within 10 years of another DUI offense, which occurred on or around February 10, 2009, in *People of the State of California v. Oscar Armando Blanco*, Case No. 9PS71357, and resulted in a misdemeanor conviction on or around March 18, 2009.
- 8. On or around September 4, 2018, Blanco pleaded nolo contendere to Count 1, a violation of Vehicle Code sections 23153(a) and 23560, a felony.

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9. On or around August 30 and September 6, 2019, Blanco filed an amended Application by answering "Yes" to Question (F)(1) in the criminal disclosure section of the Application that asks, "Have you ever been convicted of or pled guilty or nolo contendere ('no contest') in a domestic, foreign, or military court to any felony?" Blanco provided an explanation and uploaded legal supporting documentation to NMLS in the Application section entitled, "Disclosure Explanations."

II.

Blanco No Longer Meets the Minimum Requirements of Continued Licensure Under Financial Code sections 50144 and 50141

- 10. Financial Code section 50513, subdivision (a), provides in relevant part:
 - (a) The commissioner may do one or more of the following:
 - (1) Deny, suspend, revoke, condition, or *decline to renew* a mortgage loan originator license for a violation of this division, or any rules or regulations adopted thereunder.
 - (2) Deny, suspend, revoke, condition, or *decline to renew* a mortgage loan originator license if an applicant or licensee *fails at any time* to meet the requirements of *Section 50141 or 50144*, or withholds information or makes a material misstatement in an application for a license or license renewal (Emphasis applied.)
- 11. Financial Code section 50144 provides in relevant part:
 - (b) The *minimum standards for license renewal* for mortgage loan originators shall include the following:
 - (1) The mortgage loan originator continues to meet the minimum standards for license issuance under Section 50141 (Emphasis applied.)
- 12. Financial Code section 50141 provides in relevant part:
 - (a) The commissioner *shall deny* an application for a mortgage loan originator license unless the commissioner makes at a minimum the following findings . . .
 - (2)(A) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensing and registration . . .

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(3) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division (Emphasis applied.)

III. <u>Failure to Promptly File Changed Information</u> Provides Grounds for Discipline Under the CRMLA

- 13. Financial Code section 50327 provides:
 - (a) The commissioner may, after notice and a reasonable opportunity to be heard, deny, *decline to renew*, suspend, or revoke any license if the commissioner finds that:
 - (1) The licensee has violated *any provision of this division or any rule or order* of the commissioner thereunder.
 - (2) Any fact or condition exists that, *if it had existed at the time of the original application for the license*, reasonably would have warranted the commissioner in refusing to issue the license originally.
 - (b) The power of investigation and examination by the commissioner is not terminated by the denial, nonrenewal, surrender, suspension, or revocation of any license issued by him or her.
- 14. California Code of Regulations, title 10, section 1950.122.9 provides in relevant
 - (a) Each licensed residential mortgage lender, mortgage servicer, residential mortgage lender and servicer, or mortgage loan originator shall, upon any change in the information contained in its application for license (other than financial information contained therein), *promptly* file an amendment to such application setting forth the changed information.
 - (c) A mortgage loan originator shall file changed information contained in its Form MU4, and any exhibits thereto, through NMLS in accordance with its procedures for transmission to the Commissioner within twenty (20) days of changes to the information. Any change that cannot be submitted through NMLS shall be filed directly with the Commissioner. A mortgage loan originator may not renew his or her license under Section 1950.122.5.3 of Subchapter 11.5 of these rules until all changes to the information contained in his or her Form MU4 are filed with the Commissioner as provided in this section. (Emphasis applied.)

- 15. Pursuant to Financial Code section 50327, subdivision (a)(2), Blanco's plea of nolo contendere to a felony on or around September 4, 2018, which is within seven years of his request for renewal of his MLO license on or around November 1, 2019, is a fact or condition that, "if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally," because under Financial Code section 50141, subdivision (a)(2) a plea of nolo contendere to a felony during the seven-year period preceding the date of the original application requires the Commissioner to deny the original application for an MLO license.
 - 16. In addition, Question (F) of the Application asks:
 - (1) Have you ever been convicted of or pled guilty or nolo contendere ('no contest') in a domestic, foreign, or military court to any felony?
 - (2) Are there pending charges against you for any felony?
- 17. Blanco changed the information in his Application from "No" to "Yes" in Question (F)(1) on or around August 30, 2019, or 360 days after he pleaded nolo contendere to a felony on or around September 4, 2018. Blanco did not at any time change the information in his Application by answering "Yes" to Question (F)(2) during the criminal proceedings that began on or around November 22, 2017 with the filing of the Felony Complaint. Therefore, Blanco's violation of California Code of Regulations, title 10, section 1950.122.9 provides grounds for declining to renew his MLO license pursuant to Financial Code section 50327, subdivision (a)(1).

IV. Conclusion

The Commissioner finds that Blanco no longer meets the minimum requirements for continued licensure under Financial Code section 50144, subdivision (b)(1), and section 50141, subdivision (a) in that Blanco pleaded nolo contendere to a felony within seven years of his request for renewal of his MLO license and also violated California Code of Regulations, title 10, section 1950.122.9 by failing to promptly file a change of information in his Application. Pursuant to Financial Code section 50327, subdivision (a) and section 50513, subdivision (a), grounds exist to decline to renew Blanco's MLO license.

1	By reason of the foregoing, pursuant to Financial Code sections 50513, 50327, 50141, and		
2	50144, the Commissioner shall decline to renew Blanco's MLO license.		
3	WHEREFORE IT IS PRAYED that the mortgage loan originator license of Oscar A. Blanco		
4	not be renewed.		
5	Dated: January 15, 2020	MANUEL D. ALLIADEZ	
6	Los Angeles, California	MANUEL P. ALVAREZ Commissioner of Business Oversight	
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8		By	
9		Sophia C. Kim Senior Counsel	
10		Enforcement Division	
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